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Managerial ism, Market Liberalism and the Move to Self-Managing Schools in New Zealand

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The New Zealand school system has recently undergone the most radical restructuring in 100 years. This has involved a decentralization of certain decision-making functions combined with increased self-management at the school level. The legitimating rhetoric proclaimed that these reforms would produce greater flexibility and responsiveness, but in reality they have produced a structure in which managerial decisions are more effectively controlled. There are clear parallels here with the 1988 British Education Reform Act which has been described as a structural change from corporatism to a new form of contractualism (McLean, 1988). It represents a fundamental transformation of educational administration and an extension into the domain of education policy of the same logic that informs market liberalism and economic rationalism.

Traditionally, educational administration in New Zealand has embodied values of consensus and social justice. Decisions generally have been founded on sound and widely accepted educational principles, rather than political or economic expediency. Thus, when a team of OECD examiners evaluated the system in 1982, they were able to comment that: 'Consensus is still valued in the world of education. Education is not seen as an activity above, or uninfluenced by politics, but as requiring to be pursued in accordance with more or less intrinsic purposes, having to do with the growth and development of individuals, rather than as an instrument for the attainment of political or social goals' (OECD, 1983, p. 22). It is indeed ironic, therefore, that the central thrust of the recent restructuring policies has been towards the attainment of a particular set of political and social goals. Intrinsic educational purposes have been cynically disregarded. As Grace (1990) has argued, the New Zealand reforms have largely been an attempt to reach a new political settlement. His analysis shows that: 'The restructuring of primary and secondary schooling in New Zealand between 1987 and 1990 was the site for a struggle of contesting political, ideological, and educational principles. The outcome was a complex compromise. The question for the future was not only whether the settlement would work in practice, but just whose agenda would shape its working in practice?' (Grace, 1990, p. 184). The question is most pertinent, although is it arguable whether a new settlement has yet been reached. Rather than a complex compromise, what we have

is a precarious balance between conflicting forces. Essentially, it is a conflict between instrumental values of economic management and intrinsic values of educational democracy. This is not a new conflict (Callahan, 1962). There are historical precedents, although not to any significant extent within the New Zealand experience.

Whereas the reform rhetoric promised more democratic community involvement, increased parental choice and schools that would be better managed, more effective and more equitable, the reality is very different. The recent New Zealand educational reforms have produced a brave new educational world in which schools have become independent, self-managing units, competing with each other for staff and resources, where teachers are to be rewarded according to what they produce, and where children are to be regularly assessed in relation to nationally specified learning objectives.

This chapter examines deep-seated contradictions within these reforms and the conflicting political forces by which they have been produced. It argues that there is a fundamental conflict between a democratic imperative for more community participation in decision-making and an economic imperative for stronger mechanisms of accountability and centralized control. These conflicting imperatives for devolution and control are a direct consequence of the crisis that has beset the New Zealand state in recent years. It is a dual crisis of political legitimation and economic management, the culmination of a deterioration throughout the 1970s and 1980s of the post-war political settlement combined with steadily worsening conditions of economic decline and fiscal instability (Codd, Gordon and Marker, 1990).

The Political Context of Restructuring

During the 1980s most advanced industrial societies have witnessed a strong resurgence of economic and political liberalism. It is a movement which began in Western capitalist states as a response to the economic difficulties of the 1970s and now, in some ways, has its counterpart in the recent democratization of the Eastern bloc. The central tenet of this movement is the subordination of state intervention to the operation of market mechanisms as a more effective way of promoting economic growth and a more efficient means of allocating and using scarce resources (King, 1987). The maximization of individual choice within a deregulated social environment is given priority over state imposed responsibilities, duties and obligations. Property rights are given priority over social citizenship or welfare rights, and economic efficiency is given priority over human need in the allocation of resources. This ‘new’ market liberalism is no more than a revival of classical liberalism with its doctrines of individual freedom, public choice and minimal government (Barry, 1986).

A resurgence of market liberalism, accompanied by adherence to monetarist economic policies, occurred in the United States under the Reagan administration, in Britain under the Thatcher government and more recently in New Zealand under the Lange-Douglas government (Easton, 1989; Holland and Boston, 1990). In each case the main effect has been to ‘roll back’ the state (deregulation, privatization), to foster a climate of competition (the so-called ‘enterprise culture’) and to set aside most of the traditional concerns for social justice in the political reform agenda.

In New Zealand the advent of market liberalism and economic rationalism coincided with the election of the fourth Labour government on 14 July 1984. From this time Treasury became the most powerful bureaucratic influence in state policy-making. This involved what Jesson (1988, p. 42) has called a 'policy coup' in which monetarist solutions were presented as the only viable responses to the immense economic problems faced by the fourth Labour government. Treasury produced the blueprint for Labour's program of monetarist reforms in a volume of briefing papers to the incoming government entitled *Economic Management*. Jesson (1988, p. 42) comments as follows:

> *Economic Management* does not state its assumptions clearly, but it is obviously based on this separation of ends and means, the social and the economic. This has the effect of enormously reducing the government's role. Economics is regarded as a technical matter that is outside the area of political choice, and virtually all areas of society are treated as belonging to the economy. *Economic Management* has policies on virtually everything, and these are treated as matters of economic orthodoxy that are beyond political debate. Political choice then becomes a residual matter, of tidying up inequities and malfunctions of the marketplace.

During 1985–87 this was to become the dominant ideology guiding state policies in New Zealand. The proposition that a marketplace free of government intervention will work to the benefit of all, and the related proposition that excessive government spending was the prime cause of the economic crisis, came to be held as self-evident facts rather than articles of faith. By 1987 these doctrines of economic rationalism were being applied to education policy. Hence the Treasury's brief to the government that year contained a graphic account of an educational system that was relentlessly squeezed between fiscal and political pressures. The monetarist analysis posited a crisis in which state policy-makers, faced with absolute limitations of resources, could no longer meet public expectations and political demands for further extension and improvement of educational provision. As the Treasury brief (1987, p. 15) pointed out: 'In recent years a number of pressures on the state system have become discernible. They are not just pressures for more and better of the same (such pressures always exist), but for different types of education service and, in some respects, a different kind of education structure.' Given these pressures, within a context of severe fiscal constraints, the monetarist agenda called for policies that would effectively reduce educational expenditure and fragment existing structures and patterns of interest representation. The report of the Taskforce to Review Education Administration (Picot Report) would provide legitimation for such a policy in the shape of a White Paper entitled *Tomorrow's Schools*.

The Picot Report, named after the businessman who chaired the Taskforce, was released on 10 May 1988, with proposals for an extensive restructuring of the education system. The public was 'persuaded' by a skilfully orchestrated media presentation that the major Picot proposals were both necessary and beneficial. An incredibly short period (six to seven weeks) was given for submissions, and on 7 August the Minister released the White Paper, *Tomorrow's Schools*, and announced that it would be implemented by 1 October 1989.

The main thrust of the restructuring has been to reduce the size of the central bureaucracy, to abolish regional education boards, and to convert each learning institution into a self-managing unit having its own elected Board of Trustees. Thus the new educational structure entails a devolution of decision-making in a wide range of administrative areas, including resource allocation, staff appointments, support services and staff development. Boards of Trustees are given some discretion in these areas, but control is firmly invested in central state agencies, including the Ministry of Education, the Education Review Office and the Qualifications Authority. This control is maintained through tightly circumscribed limits on local autonomy and contractual forms of accountability.

Removing formal administrative structures from the local and district level has produced a situation in which schools and other learning institutions are encouraged to compete for students and for resources. At the same time highly centralized control is exercised through legal contracts, in the form of institutional charters, and regular review and auditing processes. In this way the state can more effectively control educational expenditure in the form of bulk grants, while shifting responsibility for the way funds are spent to the institutional level.

The policy of bulk funding has been undoubtedly the most strongly contested feature of self-management. Within the new structure, individual schools receive annual 'operational grants' from the Ministry of Education. Based on a complex formula, these grants cover such areas as school maintenance, teaching resources, in-service training and relief teaching. Although schools are able to supplement these grants with local fundraising, their capacity to do so has varied widely, with resultant inequalities of provision (Wylie, 1992).

One of the consequences of devolution has been increased politicization at institutional and community levels. This has been accentuated with recent moves by government to extend bulk funding to cover teachers' salaries, to place all teachers on individual employment contracts and to introduce a scheme of merit pay based on performance appraisals to be conducted at the school level. These moves have been vigorously resisted by the vast majority of teachers, principals and school trustees (Gordon, 1992).

Another consequence of this devolved structure is that pressures for increased expenditure in education can no longer be as readily applied through established channels at the national level (Codd, 1990). The new structure effectively removes most of the institutional routes by which claims have been made on central government for qualitative improvements in education. Teacher organizations, for example, can no longer press for reduced class sizes, more professional support, curriculum resources or inservice training. Responsibility for these matters resides in each institution.

Not only have these reforms changed the fundamental structure of the New Zealand education system, but they are now transforming the practice of educational administration in two major ways. First, under the influence of economic rationalism there is a concerted effort to impose a managerialist ideology on all schools and other learning institutions (e.g., bulk funding, individual employment contracts, merit pay, etc.). Second, under the influence of market liberalism, educational administrators are being forced to surrender their traditional commitment to social justice in order to pursue the goals of competition and increased individual choice (e.g., privatization of services,

dezoning of schools, etc.). The following sections of this chapter will consider each of these influences in more detail.

The Ascendancy of Managerialism

While much of the rhetoric surrounding the reforms has invoked such concepts as partnership, collaboration, participation and professional leadership, the political forces behind the restructuring have been strongly imbued with an ideology of hierarchical managerialism. These forces have come indirectly from the large corporations, through the Business Round Table, and more directly from the control agencies of government, namely the Treasury and the State Services Commission.

The contradictions between the underlying agenda and the legitimating rhetoric have been evident from the outset. One such contradiction concerns the role of the principal. In an unequivocal statement about research evidence on successful educational leadership, the Picot Report (1988, pp. 51–2) emphasizes 'the collaborative relationship between principal and staff, proposing that both 'participate regularly in reviewing the quality of the institution's educational performance', and commenting that 'the way decisions are arrived at is just as important in the life of an institution as the decisions themselves.' In reality, however, the new administrative structures have specifically precluded principals from adopting such a model of professional leadership, based as it is on processes of democratic participation and shared responsibility.

When *Tomorrow's Schools* was announced as government policy in August 1988, the Minister of Education referred to it as 'an affirmation of the Picot proposals' (p. iv). In one sense this was indeed the case. There is very little of substance in *Tomorrow's Schools* that was not drawn directly from the Picot Report. There is, however, a definite change of emphasis, with much of the Picot account of collaborative management and leadership dropped from the policy statement. It is stated in *Tomorrow's Schools* that the principal 'will be the professional leader of the institution' and that 'principals will be expected to work in a collaborative relationship with their staff (pp. 10–11), but all the clauses which define what principals are to do emphasize their managerial functions. As board members, principals will be legal employers of staff, involved in appraisal, salary determinations and decisions relating to conditions of employment. They are to be responsible for 'the allocation of duties and detailed objectives amongst staff, and they are to be responsible for 'the development of performance objectives and measures to assess that performance' (p. 11). The thrust of these statements is undoubtedly towards an industrial model of management founded upon a positivist knowledge base. It is a model of management consistent with the economic rationalism that both the Treasury and the State Services Commission had been advocating for some time before their involvement in the education reforms.

The managerialist agenda had first appeared in the 1984 Treasury brief to the incoming Labour government with a description of what the document calls 'the ideal management system' for organizations operating within a competitive market. If applied in the public service, this model, according to the document, would require the following: clear measurable objectives set by the owners of an organization (i.e., the government); a management plan to meet those objectives; regular review of the objectives and the

management plan; freedom for managers to choose the best mixture of inputs to get the agreed output, within the overall financial limits set by the government; and, finally, 'appropriate incentives to encourage the management and staff of each organization to perform effectively' (*Economic Management*, 1984, p. 288).

This managerial ideology was to become a central feature of state sector restructuring, including the corporatization of state departments and the establishment of what are now called 'State Owned Enterprises'. A further move to impose it upon the education system came in 1990 when the government appointed a Committee to Review the Education Reform Implementation Process (chaired by N.V.Lough). The Lough Committee was essentially a committee of officials, chaired by an ex-Treasury secretary and comprising the Treasury education manager, a State Services Commission economist, the National Bank strategic planning manager and the chief executive of the Ministry of Education. The review was carried out in eight weeks with only token consultation with schools and no opportunity for submissions from education groups. It was an entirely bureaucratic exercise based upon the tenets of economic rationalism. The report, entitled *Today's Schools*, addresses several aspects of the administrative reforms. Significantly, education is hardly mentioned. The report is all about management, and the recommendations put forward are unmistakably drawn from the industrial management model. Schools are seen to lack clearly defined operational objectives, an overall plan to achieve these objectives, mechanisms to monitor progress, personnel management systems and clear role definitions.

The Lough Report proposes that schools implement administrative systems which incorporate 'objective setting, planning, effective management, internal monitoring and reporting, and external reporting' (p. 19). Educational effectiveness is reduced to role differentiation. Thus, 'for there to be effective administration at the school level, the distinction between operational and policy activities must be clearly defined' (p. 20). Boards govern, principals manage and teachers operate. The quality of education is reduced to 'key performance indicators' which cover education, personnel, property and financial management. Partnership is reduced to constant and extensive reporting. Staff commitment and collaboration are reduced to personnel management, which includes pay flexibility so that incentives can be offered. Educational leadership is provided by 'establishing an educational plan for the school and by communicating it to all staff and students' (p. 23). What this defines is a culture of managerialism in which ends are separated from means and where people are valued only for what they produce. It involves the importation into education of the instrumentalist values of economic rationalism.

Ignoring the Lessons of History

Managerialism produces an organizational culture that is hierarchical, competitive, individualistic and highly task-oriented. It is a culture that is totally alien to the New Zealand experience, and if it is imposed upon schools, it is a culture that tends to be undemocratic and wasteful of human initiative and capacity. Nowhere is this more clearly demonstrated than in Raymond Callahan's classic study, *Education and the Cult of*

Efficiency (1962), in which he traces the social forces that shaped the administration of American public schools from 1910 to 1930.

This period preceding the Great Depression was one in which the American economy was in decline. Politicians placed their hope for future prosperity in the hands of leading businessmen and industrialists. Men like Carnegie and Rockefeller became figures of national leadership so that, according to Callahan, '…quite naturally their values and beliefs (including the economic philosophy which had made it all possible) were widely admired and accepted' (Callahan, 1962, p. 2). Over time this business view of the world was to have a major influence on education and was to become a powerful force in shaping the organizational culture of schools. As Callahan points out: 'The procedure for bringing about a more businesslike organization and operation of the school was fairly well standardized from 1900 to 1925. It consisted of making unfavourable comparisons between the schools and business enterprise, of applying business-industrial criteria (e.g. economy and efficiency) to education, and of suggesting that business and industrial practices be adopted by educators' (Callahan, 1962, p. 6).

One such set of practices was a new system of industrial management known as 'scientific management' devised by Frederick Taylor (1911). 'Taylorism', as it is now called, was a system of management first used to make the north-eastern railroads more efficient so that wages could be increased without increasing costs. It involved breaking down the labour process into its component tasks, carrying out a time and motion study of each task and planning more economical ways of reaching predetermined objectives. By the 1920s it was the dominant form of industrial management and had become the administrative counterpart of the Fordist mode of production. It also had a major influence on the administration of the public schools which at that time were under attack for being wasteful of taxpayer's money and too much under the control of inefficient teachers. Callahan describes what happened as follows: 'The sudden propulsion of scientific management into prominence and the subsequent saturation of American society with the idea of efficiency together with the attacks on education by the popular journals made it certain that public education would be influenced greatly. But the *extent* of this influence was increased by the vulnerability of the leaders in the schools—the superintendents—to public opinion and pressure' (Callahan, 1962, p. 52). Reference here to the 'vulnerability' of educators in the face of alien ideological forces strikes a familiar chord in the current New Zealand context.

Another manifestation of the cult of efficiency described by Callahan, which is worth noting for its contemporary significance, was the fanatical preoccupation with recording and reporting. Efficiency had to be not only done, but it had to be seen to be done. Efficiency was to be continually demonstrated through the incessant production of records and reports. Educational cost accounting became the order of the day. Teachers were required to keep records, accounting for every hour and every day of the week. Administrators were forever occupied in writing reports and policy statements. Needless to say, there was less and less time for teaching, and schools became places of tedium, ritualistic order and bland routine. Ironically, they became less and less 'efficient' in an educational sense.

By the late 1920s these attempts to reform American schools had produced a system that was weighed down by its own inertia and managerial oppression. The cult of efficiency had become a cult of managerialism which eventually proved to be totally

unworkable in educational institutions. Liberation would come in the 1930s as the progressive educators, Dewey, Kilpatrick and others, succeeded in defeating managerialism and reconstructing American schooling on a basis of democratic educational values. In his final chapter Callahan writes about what he calls 'an American tragedy in education'. He opens his conclusion with the statement that:

> The study of various aspects of the actions administrators took between 1910 and 1929 in applying business and industrial values and practices to education, together with an attempt to explain *why* they took these actions has formed the substance of this volume. It seems in retrospect that, regardless of the motivation, the consequences for American education and American society were tragic. And when all of the strands in the story are woven together, it is clear that the essence of the tragedy was in adopting values and practices indiscriminately and applying them with little or no consideration of educational values or purposes. (Callahan, 1962, p. 244)

It is often said that those who ignore the lessons of history are destined to repeat them. Educational administrators in New Zealand, therefore, need to ask some hard questions about where the ideologues of economic rationalism and the new cult of efficiency are taking them.

Similar questions should be asked of market liberalism, which is the other major ideological influence behind the move to self-managing schools in New Zealand. One of the most paradoxical elements in this move has been the continued claim of its proponents that problems of efficiency and equity can be overcome by increasing the degrees of choice that exist within the system.

Promoting Consumer Choice

In the 1987 Treasury brief to the incoming government the rhetoric of market liberalism is used with considerable force to defend policies that, if implemented, would substantially reduce the state's role as the principal provider of education. The authors of this Treasury document take the view that state intervention in education is neither equitable nor efficient. Although the evidence they give for this view is both equivocal and inconclusive, they go further to assert that such intervention for equity purposes would probably 'produce effects that reduce rather than further some kinds of equity' (Treasury, 1987, p. 39). This assertion then becomes the major premise from which to advocate policies that would enable education to enter the marketplace and thus lead to increased choice among its consumers.

As the reform agenda unfolded, the promotion of choice was to become one of the central policy objectives—a key that would presumably unlock all that is both desired and desirable in education. The Picot Taskforce, for instance, proclaim 'choice' as the first of their core values and state that this 'will involve providing a wider range of options both for consumers and for learning institutions' (1988, p. 4). Moreover, they 'see the creation of more choice in the system as a way of ensuring greater efficiency and

equity' (1988, p. 4). The promotion of choice as a primary social objective, and the reference to parents or learners as 'consumers', clearly locates these statements within a market liberal discourse that connects the New Zealand education reforms with those that have occurred elsewhere (Ball, 1990).

Chester Finn, educational adviser to the Reagan administration and one of the vanguards in the so-called 'excellence movement' in the United States, claims that parental choice is a direct form of accountability. People, in his words, 'will voluntarily exit from bad schools and head for good ones' (Finn, 1989, p. 28). Such a comment undoubtedly has commonsense plausibility, and after pointing out the unquestionable desirability of engaging parents more deeply in the education of their children, Finn continues: 'Educational choice, moreover, by fostering competition among schools, will itself lead to diversity and individuality. In addition, choice can widen opportunities for disadvantaged and minority youngsters by giving them access to educational options not available in their immediate neighbourhoods' (p. 28). Those who hold to market liberalism do so with a faith that is blind to social reality. The assumption here is that making choice available is exactly the same as enabling all people to choose. Given the choice between a 'good' school and a 'bad' school, any rational parent would always choose the 'good' school for their children. But the so-called 'good' schools are only perceived as such when they can be distinguished from another group of schools that are perceived to be 'bad'. It is not possible, moreover, for all parents to be in comparable social positions from which to choose between 'good' and 'bad' schools. Some will have available to them more financial and cultural resources than others, and their very choice of what they perceive to be a 'good' school becomes a self-fulfilling prophecy. Thus the exercise of choice by some becomes a capacity to determine what is good, and therefore limits for others the opportunity to choose. Ruth Jonathan has argued that this follows from the nature of education as a 'positional' social good, which she defines as 'the sort of good whose worth to those who have it depends to some extent both on its general perceived value and on others having less of it' (Jonathan, 1989, p. 333).

Recent British legislation (Education Reform Act, 1988) has enabled schools to opt out of local authority control if a majority of parents so determine by ballot. Describing the effects of this and other policies extending parental choice, Ruth Jonathan argues that:

> …it is probable that some schools will get better and others worse, with those parents who are most informed and articulate influencing and obtaining the 'best buy' for their children, thus giving a further twist to the spiral of cumulative advantage which results when the state is rolled back to enable 'free and fair' competition between individuals or groups who have quite different starting points in the social race. (Jonathan, 1989, p. 323)

The conclusion that this points to is that the promotion and enhancement of consumer opportunity and choice in education can be achieved only with a consequential cost in terms of social justice. In a more recent paper Jonathan maintains that:

> …in the distribution of a 'positional' good such as education, measures to increase individual opportunity bring about a decrease in social justice and

> lead to a head-on clash between two commonly accepted duties of the state: to maximize individual freedom and to promote justice for the group as a whole—this clash being exacerbated in direct proportion to the resultant increase in social competition. (Jonathan, 1990, p. 16)

Thus policies that promote educational choice, such as the removal of zoning regulations, have the effect not only of extending individual liberties but of ensuring that rational consumers will tend to use them to pursue their self-interest. When parents do this on behalf of their children, their actions have a prima facie moral justification. We expect parents to look after their children's interests. However, this overlooks other social realities relating to the scarcity of educational resources. Jonathan's argument, therefore, shows that policies which increase the discretionary power of educational consumers give priority to individual liberty over social justice. This presents an ethical problem that lies at the heart of the New Zealand education reforms.

The Ethical Base of Market Liberalism

The ethical theory that underlies market liberalism can be recognized as a form of utilitarianism. In terms of this theory, a moral decision is justified

Figure 1. Ethical Framework for Educational Administration

	Market Liberal Utilitarianism	Social Justice as Fairness
Primary social objective	Choice	Equity
What is distributed?	Education as a preferred good (exchangeable commodity)	Education as a primary social good
Distributive principle	Utility (optimal average benefits for all—even if disparities are wider)	Fairness (inequalities are justified only if they benefit those who are disadvantaged)
Main criterion for resource allocation	Efficiency (invest to maximize aggregate gains)	Need (invest to improve opportunities for least advantaged)
Major educational outcome	Increased educational productivity	Fairer distribution of educational benefits
Major social effect	Disproportionate acquisition of resources by most advantaged (profit by some)	Redistribution of benefits by limiting choice (welfare for all)

if it produces the greatest amount of happiness for the greatest number of people. Thus, in the distribution of a good such as education, utilitarianism would seek to maximize the average distribution even if the disparities were wider as a result. Efficiency, according to a utilitarian ethic, means that as many people as possible get more of what they want

even if some end up getting less. This may be achieved by increasing both opportunities for choice and competition among individuals.

Education, in market liberal utilitarian terms, is considered to be a *preferred good*, that is, something we expect some to want and others not to want. It is something we choose or earn, and because it involves the acquisition of marketable skills, it does not differ essentially from other ex-changeable commodities. Such preferred goods do not produce positive externalities or benefits to others apart from those who receive them. The distributive principle within a utilitarian framework is that of utility, which means that a preferred good such as education is distributed so as to gain optimal average benefits for all, even if the least advantaged become worse off. This entails an ethical position that differs in a number of essential ways from the social justice ethic that has traditionally informed educa-tional policy-making in New Zealand. The major differences between these two ethical frameworks are summarized in Figure 1.

Social justice as fairness refers to an ethical framework in which equity is given priority over choice as the primary social objective. In its simplest form, equity is taken to mean 'redress', that is, giving more to the less advantaged. Social justice, however, as Rawls (1972) argues, requires a much more subtle concept of equity. In developing his very influential theory of justice, Rawls posits two principles. The first principle is that: 'each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all' (Rawls, 1972, p. 250). The second principle, which he calls 'the difference principle', is stated as follows: 'Social and economic inequalities are to be arranged so that they are both (a) to the greatest benefit of the least advantaged and (b) attached to offices and positions open to all under conditions of fair equality of opportunity' (Rawls, 1972, p. 83). The application of these principles to education would mean that resources were to be allocated 'so as to improve the long-term expectation of the least favoured' (p. 101) rather than simply evening out existing inequalities or improving the economic efficiency of the system. Because education is necessary to the very formation of people's wants, it constitutes what Rawls calls a *primary good* (p. 62). This is a substantially different conception of education from that assumed by market liberal utilitarianism.

Primary social goods are things that all reasonable people would want because without them they cannot even choose the kind of life they would want. For example, reasonable people would want to be able to participate in decisions that affect their welfare, and to be able to develop skills and acquire knowledge necessary to participation in the political and economic institutions of society. Education, in these terms, becomes defined as a basic human right. It is not something we can simply choose to have from a position of not having it. Education is not something we simply acquire: it changes who we are.

Rawls argues that a just society is one in which primary goods are distributed fairly, according to people's needs. This implies that '…resources for education are not to be allotted solely or necessarily mainly according to their return as estimated in productive trained abilities, but also according to their worth in enriching the personal and social life of citizens, including here the less favoured' (Rawls, 1972, p. 107). Within this view, educational policies are justified by the extent to which they produce a fairer distribution of educational benefits, rather than in terms of economic efficiency or improved consumer choice. Social justice obligates the state to invest in education, not to maximize the gains for all, nor to allow some to profit at the expense of others, but rather to

safeguard conditions of welfare for all and, where necessary, to limit the choice of some in order to redistribute the benefits more fairly.

This view contrasts strongly with the market liberal position in which the state invests in education to improve the overall productive capacity of its citizens. The aim of market liberalism is to achieve a maximum return on investment. Where this involves an unequal distribution of resources, it is based upon the ability of people to profit from these resources, and it is assumed that the resulting increased productivity eventually will provide benefits for all. However, this 'trickle-down' theory of economic and social justice, which is commonly used in defence of market liberal policies, does not bear closer ethical scrutiny. As Ronald Dworkin points out: 'Children denied adequate nutrition or any effective chance of higher education will suffer permanent loss even if the economy follows the most optimistic path of recovery. Some of those who are denied jobs and welfare now, particularly the elderly, will in any case not live long enough to share in that recovery however general it turns out to be' (Dworkin, 1985, p. 209). Dworkin argues that market liberal utilitarianism, which 'attempts to justify irreversible losses to a minority in order to achieve gains for the large majority' is contrary to the principle that people must be treated with equal concern. Thus the utilitarian ethic, which gives priority to the maximization of people's opportunity to have what they happen to want, denies the principle of equity that is central to social justice as fairness.

The point was made earlier that market liberalism has had a major influence on all areas of government policy in New Zealand since the election of the fourth Labour government in 1984. Its influence on education, however, was not apparent until the government set out to reform educational administration. Following the return of the government in the 1987 election, giving an apparent mandate for its market liberal reforms, these ideas began to materialize in the form of specific policy proposals. At the same time, however, some important aspects of the Labour government's education policies were being developed within a more traditional social justice framework. Consequently, the recent education reforms are fraught with serious internal contradictions. These have been exacerbated since 1990 following the return of a National government that has quickly moved to abolish school zoning, to increase financial aid to private schools and to promote even more self-management among state schools.

In rhetorical terms the recent reforms have been concerned with parent participation in education, with providing clear and explicit objectives for all learning institutions, with promoting learner achievement and increasing the productivity of teachers, and with ensuring that learning institutions are responsive and flexible. In reality, however, the same reforms can be seen to be fostering a climate of harmful competition among schools, promoting unfair degrees of parental choice, exacerbating inequalities between communities, and promoting disparities in resources for special needs and teacher support. What we have, it seems, is a discrepancy between the ends that have been proclaimed for these reforms and the means that are being taken for their achievement. What we have, in other words, is a crisis of educational leadership.

When administrative decisions are based upon market liberal assumptions, yet at the very same time are advanced in the name of equity and social justice, the effects will inevitably be contradictory. When education policy is shaped by demands for economic efficiency and managerial control, administrators have very little scope for the pursuit of

educational values or purposes. In the final section an alternative conception of educational leadership is outlined. It is a form of leadership that has the potential for a democratic reconstruction of schooling within the context of a new educational order.

The Search for a Moral Vision

In an address to school administrators more than fifty years ago John Dewey argued that democratic principles were essential to the *educational* mission of schools and other learning institutions. For Dewey, this meant that classroom teachers and school communities would have more organic participation in the formation of the educational policies of the school. It would involve a merging and integration of roles rather than the sharp delineations advocated by managerialists. The traditional hierarchical system, in Dewey's view, only leads to educational waste. Moreover, he asks:

> Is not the waste very considerably increased when teachers are not called upon to communicate their successful methods and results in a form in which it could have organic effect upon general school policies? Add to this waste that results when teachers are called upon to give effect in the classroom to courses of study they do not understand the reasons for, and the total loss mounts up so that it is a fair estimate that the absence of democratic methods is the greatest single cause of educational waste. (Dewey, 1958, p. 65)

It is indeed paradoxical that economists and managerialists, in their quest for market efficiency, are capable of producing so much educational waste.

What Dewey argued against so strongly was instrumentalism in all its forms, or what Habermas (1970) was later to call technocratic rationality. This is a form of political rationality in which ends and means are separated. Once the ends or objectives are determined, it is merely a contingent matter to ascertain the most effective or efficient means of reaching those ends. We decide on our destination, and then it is simply a technical matter as to how we reach it. This is the logic of economics. We set our inflation objective, and then we determine the most effective means of reaching it. This logic, Dewey argued, does not work in education. In education, values are intrinsic, not extrinsic—the means are constitutive of the ends. How we reach our objectives will in itself give substance and meaning to those objectives. At best, instrumentalism distorts educational purposes; at worst, it destroys them.

Two examples of instrumentalism in the new education structure spring to mind. One is the separation of policy from operations. The Lough Report asserts this as though it were a self-evident truth. The making of policy must be separated from its implementation at all levels, from the ministry itself to the smallest educational institution. Another example of instrumentalism is to be found in the notion of contestability of services. If teacher support, for example, is reduced to technical know-how, if it is simply a question of alternative means to the same end, then contestability makes sense. If, however, the quality of such support and the effects it has, are actually determined by the shape and form of its delivery, then contestability may well destroy it

or force it into a commodified form which fits the economic logic, but in the long term is more wasteful of human resources.

When instrumental effectiveness usurps more important educational aims, we are more likely to have schools in which the needs of society and the economy are given priority over the development of rational autonomy and independent thought. Under these conditions, political forces are better able to ensure that the school remains an instrument for social control committed to the dominant social and political values and the perpetuation of the existing economic order. In these circumstances, schooling loses its capacity for democratic social renewal and the promotion of social justice.

The cult of managerialism and efficiency, with its emphasis on role definition, planning and control, treats teachers as workers rather than professionals and thereby diminishes their commitment to the values and principles which define the field of educational practice (Codd, 1989a). Specification of objectives, performance reviews and other management techniques may encourage teachers to behave in ways that are antithetical to certain fundamental educational values such as intellectual independence and imagination (Codd, 1989b). Conformity to institutional norms may ensure that minimal levels of performance are maintained and managerial competence can improve efficiency, but educational excellence derives from personal initiative and professional autonomy.

Particular managerial skills may be useful, but for the educational administrator, 'a fully professional commitment is always to a set of values and principles for practice rather than to a particular institution in which the individual happens currently to hold an appointment' (Taylor, 1976, p. 44). Professional educators, whether they be involved in policy-making, administration or teaching, are inevitably in the business of judging and deciding what ought to be done. This is a moral enterprise. Education is about values. Whether they are determining ends or means, educators cannot escape a commitment to values such as openmindedness, tolerance and cultural sensitivity. As a practical activity, therefore, educational administration should entail responsible deliberation and decision-making, enabling teachers within the school to have an active role in producing an educated community of individuals who will have the capacity to promote a fair and democratic social order.

If there is to be education *for* democracy, there must be education *in* democracy. This can be achieved only within an institutional environment that is itself democratic. With the move to self-managing schools, New Zealand education has experienced a crisis of confidence—not in the teaching profession or its leaders, but in its politicians and policy-makers. Not only has the pace of reform been frenetic, but the process at times has been a travesty of democracy, and there has been almost no concern to evaluate the effects of change. If New Zealand schools are to become democratic, open and self-reflective communities in which an ethic of social justice can prevail, then the current forces of managerialism and market liberalism must be defeated. Only their defeat can avert the educational tragedy that is looming.

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